

Specification of Competency Standards for the Retail Banking

Unit of Competency

Product Development and Brand Marketing > 6.2 Product Development Framework and Marketing Strategy Formulation

Title	Develop measurement mechanism on ROI to assess investment in product development
Code	107459L5
Range	Develop measurement indicators and mechanism to calculate the ROI on product development. This applies to products and services of any kind
Level	5
Credit	4
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Conduct research on ROI calculation Be able to: <ul style="list-style-type: none"> • Evaluate different methods in calculating ROI and select a suitable approach after analyzing the operations of the bank and specific product development projects 2. Develop measurement mechanism for ROI calculation Be able to: <ul style="list-style-type: none"> • Identify suitable performance indicators after analyzing the project objectives, product features and development process, etc. • Design a reliable analytics process to measure ROI since the commencement of product development so as to ensure risk justified investments for the bank • Design and validate financial assumption and projection (e.g. cost, yield, profitability over time, etc.) of the ROI calculation methods adopted by the bank 3. Develop guidelines in interpreting the results of ROI Be able to: <ul style="list-style-type: none"> • Evaluate different business case scenarios to make recommendations on ROI analysis
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • ROI measurement mechanism based on comparison of different methods and analysis of complex information including project objectives, product features and development process etc. The method should be able to allow the bank to assess the risks of different product development initiatives and potential profitability of individual product effectively • Guidelines in interpreting ROI. The guidelines should be based on analysis of different business cases and should be able to provide a standards or reference in analyzing the risks and profitability of different product development projects
Remark	